



Memorandum

To: Board of Selectmen
Finance Committee

From: Martha White, Town Administrator
Michael Walters Young, Deputy Town Administrator

Date: Friday, September 24, 2010

Re: Financial Articles at the 2010 Fall Annual Town Meeting

Traditionally, less financial activity occurs at the Fall Annual Town Meeting than at the Spring Annual Town Meeting. In fact, the only financial actions that are customarily taken up at the Fall Town Meeting are those pertaining to amending the current year's operating budget, financing capital, and if the opportunity presents itself, building reserves. This year's financial articles will do all three. As detailed on the next page, the actions proposed at this year's Fall Town Meeting will make minor adjustments to the operating budget (Article 1), establish and build a capital reserve (Articles 2 & 3) and appropriate money for capital equipment, infrastructure and land-related needs (Articles 9, 10, 11 and 15).

Financial Impacts

The administration is proposing a total appropriation of \$768,065 at the Fall Annual Town Meeting – a sum to be appropriated entirely from Free Cash, which we expect to be certified by the Department of Revenue prior to the start of Town Meeting. This sum provides sufficient funding for all items requested by municipal and school administrations. Although nearly \$3.5 million in capital needs is being requested to be funded through debt financing, no interest payments will be due in FY 2011, meaning that the full cost of principle and interest will be born in FY 2012 and successive budgets.

The Free Cash funding requests can be subdivided in to four major categories:

Operational Needs	\$	104,292
Research & Land Purchase Needs	\$	45,000
Capital Requests	\$	310,860
Reserves (Capital)	\$	307,913
Total Expense Requests	\$	768,065

The list of appropriations from Free Cash by Town Meeting article is provided on the next page.

Fall 2010 Annual Town Meeting Articles**Operating Budget Impacts**

Article	Need	Amount	Source
1	<u>Omnibus Budget Reconciliation</u>		
	Police Salaries (Crossing Guards)	\$ 22,292	Free Cash
	Comptroller Salaries	\$ 15,000	Free Cash
	Various Municipal Line-Items (Per. Bd. Employees)	\$ 67,000	Free Cash
3	<u>Capital Stabilization Fund</u>		
	Appropriation of FY 2010 Local Option Taxes	\$ 307,913	Free Cash
9	<u>Capital Equipment</u>		
	Replace NSD-81 (Vehicle)	\$ 21,000	Free Cash
	Police Crusiers(2)	\$ 62,360	Free Cash
	Rehab of Flaring Station @ Landfill	\$ 15,500	Free Cash
	Replace Guardrails (Various Locations)	\$ 15,000	Free Cash
	Replace Dumpsters (Various Locations)	\$ 10,000	Free Cash
	Irrigation Controller	\$ 25,000	Free Cash
	Replace Health-2 (Vehicle)	\$ 22,000	Free Cash
	Natick Common Electrical/Gazebo Renovations	\$ 18,000	Free Cash
	Preservation of Historical Records	\$ 100,000	Free Cash
	Replace CD-2 (Vehicle)	\$ 22,000	Free Cash
11	<u>Fire Station 4</u>		
	Land Purchase / Research	\$ 20,000	Free Cash
15	<u>East School Disposition</u>		
	Development of RFP & Due Diligence	\$ 25,000	Free Cash

Total Requested From Free Cash	\$ 768,065
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A revised General Fund Revenues/Expenditure Summary is included at the end of this memorandum.

Should the DOR certify free cash at the estimate previously provided by staff and Town Meeting approve the use of \$768,065 at the Fall Town Meeting, the remaining free cash would be as shown below:

Free Cash Changes

<u>Estimated</u> Free Cash	\$ 3,018,888
Reserve Set-aside (1/2% of G.F. Revenues)	\$ (541,007)
FY 2012 Operating Set-aside	\$ (1,500,000)
Actual Estimated Available Free Cash	\$ 977,881
Fall Town Meeting Use of Free Cash (requested)	\$ (768,065)
Balance	\$ 209,816

General Fund Revenue/Expenditure Summary

	2009 Actual	2010 Appropriated	2011 Appropriated	2011 Fall Town Meeting	2010 vs. 2011 \$	%
General Fund Revenues						
Tax Levy	\$ 72,696,077	\$ 76,971,074	\$ 79,283,758	\$ 79,283,758	2,312,684	3.00%
State Aid	\$ 11,216,189	\$ 10,619,913	\$ 11,719,198	\$ 11,719,198	1,099,285	10.35%
Estimated Receipts	\$ 11,735,232	\$ 9,497,772	\$ 9,915,900	\$ 9,915,900	418,128	4.40%
Local Option Taxes	\$ -	\$ -	\$ 640,000	\$ 640,000	640,000	#DIV/0!
Other Local Receipts						
Indirects	\$ 2,546,345	\$ 2,506,416	\$ 2,449,757	\$ 2,449,757	-56,659	-2.26%
Free Cash ①	\$ 3,247,997	\$ 2,147,380	\$ 2,660,759	\$ 3,428,824	1,281,444	59.67%
Stabilization Fund	\$ 600,000	\$ 950,751	\$ 98,550	\$ 98,550	-852,201	-89.63%
Overlay Surplus	\$ -	\$ 1,000,000			-1,000,000	-100.00%
Other Available Funds	\$ 210,851	\$ 210,851	\$ 190,851	\$ 190,851	-20,000	-9.49%
Total General Fund Revenues	102,252,691	103,904,157	106,958,773	107,726,838	3,822,681	3.68%
General Fund Expenses						
Education & Learning						
Natick Public Schools	\$ 43,578,812	\$ 42,141,517	\$ 44,005,754	\$ 44,005,754	1,864,237	4.42%
Keefe Tech	\$ 1,135,347	\$ 1,283,158	\$ 1,469,598	\$ 1,469,598	186,440	14.53%
Morse Institute Library	\$ 1,742,249	\$ 1,729,807	\$ 1,728,070	\$ 1,728,070	-1,737	-0.10%
Bacon Free Library	\$ 116,309	\$ 115,896	\$ 105,805	\$ 105,805	-10,091	-8.71%
Public Safety ②	\$ 11,568,696	\$ 11,687,361	\$ 12,047,835	\$ 12,070,127	382,766	3.28%
Public Works	\$ 7,178,630	\$ 7,322,776	\$ 7,286,168	\$ 7,286,168	-36,608	-0.50%
Health & Human Services	\$ 1,595,987	\$ 1,556,215	\$ 1,557,891	\$ 1,557,891	1,676	0.11%
Administrative Support Services ③	\$ 3,911,867	\$ 4,056,112	\$ 4,074,109	\$ 4,089,109	32,997	0.81%
Committees	\$ 17,522	\$ 18,510	\$ 25,010	\$ 25,010	6,500	35.12%
Shared Expenses						
Fringe Benefits ④	\$ 12,293,905	\$ 14,245,784	\$ 15,300,839	\$ 15,367,839	1,122,055	7.88%
Prop & Liab. Insurance	\$ 410,799	\$ 496,150	\$ 496,150	\$ 496,150	0	0.00%
Retirement	\$ 5,154,961	\$ 5,271,467	\$ 5,472,935	\$ 5,472,935	201,468	3.82%
Debt Services	\$ 6,895,992	\$ 7,158,728	\$ 7,017,319	\$ 7,017,319	-141,409	-1.98%
Reserve Fund	\$ 73,847	\$ 400,000	\$ 400,000	\$ 400,000	0	0.00%
General Fund Oper. Expenses	\$ 95,674,923	\$ 97,483,480	\$ 100,987,483	\$ 101,091,775	3,608,295	3.70%
Capital Improvements ⑤	\$ 293,900	\$ 300,940	\$ 232,260	\$ 543,120	242,180	80.5%
School Bus Transportation	\$ 302,122	\$ 311,186	\$ 320,522	\$ 320,522	9,336	3.0%
State & County Assessments	\$ 1,552,943	\$ 1,540,299	\$ 1,387,158	\$ 1,387,158	-153,141	-9.9%
Cherry Sheet Offsets	\$ 68,029	\$ 56,369	\$ 133,420	\$ 133,420	77,051	136.7%
Tax Title	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	0	0.0%
Snow Removal Supplement	\$ 650,000	\$ 749,655	\$ 448,991	\$ 448,991	-300,664	-40.1%
Overlay	\$ 1,039,144	\$ 1,321,477	\$ 1,100,000	\$ 1,100,000	-221,477	-16.8%
Golf Course Deficit	\$ 355,000	\$ 355,000	\$ 334,500	\$ 334,500	-20,500	-5.8%
Stablization Fund		\$ 800,000	\$ 1,634,439	\$ 1,634,439	834,439	104.3%
Capital Stabilization Fund ⑥				\$ 307,913	307,913	#DIV/0!
FLSA Settlement		\$ 950,751	\$ 315,000	\$ 315,000	-635,751	-66.9%
Misc. Articles ⑦		\$ 10,000	\$ -	\$ 45,000	35,000	350.0%
Funding for Economic Devel.			\$ 40,000	\$ 40,000	40,000	#DIV/0!
Contract Settlements (Mun. & Sch.)			TBD	TBD		
Total General Fund Expenses	\$ 99,961,061	\$ 103,904,157	\$ 106,958,773	\$ 107,726,838	3,822,681	3.68%
Net Excess / (Deficit)	2,291,630	0	0	0		



Town of Natick

Home of Champions

FY 2011 Budget Development

Changes to General Fund Revenue/Expenditure Summary

Revenues

1) Free Cash

2010 Spring ATM Amount	\$	2,660,759
2010 Fall ATM Amount	\$	3,428,824

Difference	Increase of \$	768,065
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Reason: Amount requested to fund Operating/capital requests for Articles 1, 3, 9, 11 and 15

Expenses

2) Public Safety

2010 Spring ATM Amount	\$	12,047,835
2010 Fall ATM Amount	\$	12,070,127

Difference	Increase of \$	22,292
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Reason: Restoration and addition of 2 crossing guards to Police Department Salaries

3) Administrative Support Services

2010 Spring ATM Amount	\$	4,074,109
2010 Fall ATM Amount	\$	4,089,109

Difference	Increase of \$	15,000
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Reason: Difference between budgeted and actual amount in Comptroller's Salaries.

4) Fringe Benefits

2010 Spring ATM Amount	\$	15,300,839
2010 Fall ATM Amount	\$	15,367,839

Difference	Increase of \$	67,000
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Reason: Amount requested to fund 2% one-time payments to Personnel Board Employees

5) Capital Improvements

2010 Spring ATM Amount	\$	232,260
2010 Fall ATM Amount	\$	543,120

Difference	Increase of \$	310,860
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Reason: Amount requested to fund Capital Equipment Purchases under Article 9

6) Capital Stabilization Fund

2010 Spring ATM Amount	\$	-
2010 Fall ATM Amount	\$	307,913

Difference	Increase of \$	307,913
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Reason: Requested to fund a new Capital Stabilization Fund (Amount = last year's local option tax collections)

7) Misc. Articles

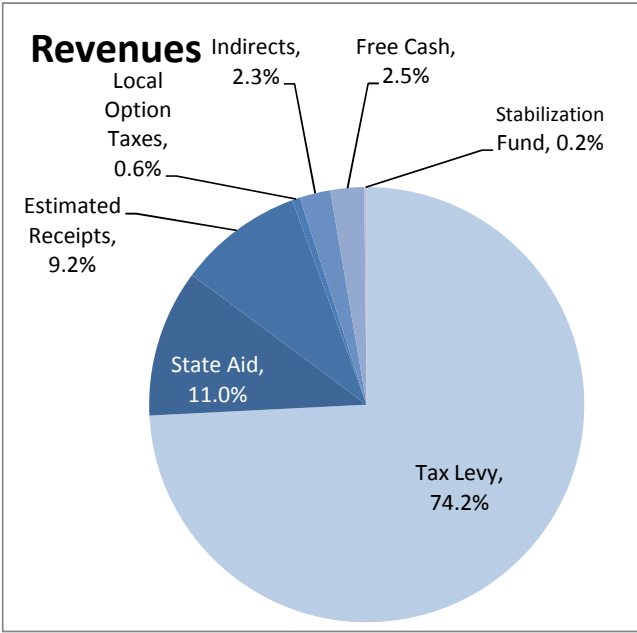
2010 Spring ATM Amount	\$	-
2010 Fall ATM Amount	\$	45,000

Difference	Increase of \$	45,000
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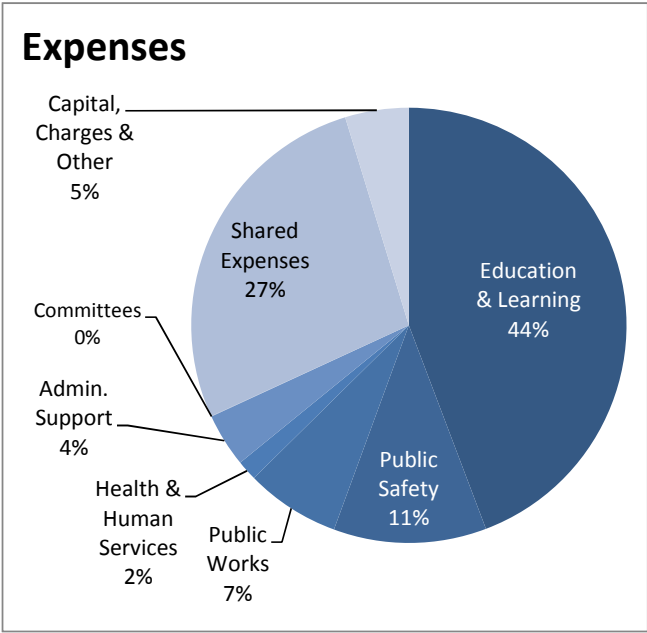
Reason: \$20,000 requested under Article 11 and \$25,000 requested under Article 15

General Fund Revenue/Expenditure Summary

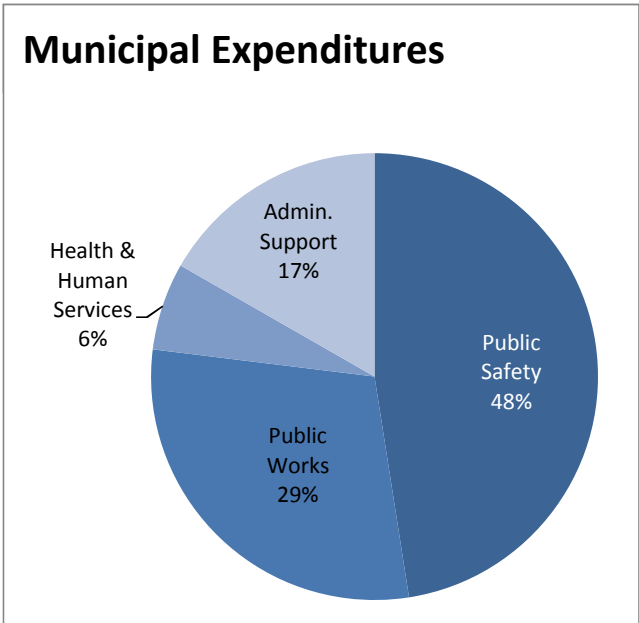
General Fund Revenues - FY 2011



General Fund Expenditures - FY 2011



Municipal Expenditures - FY 2011



Shared Expenditures - FY 2011

